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United States Attorney's Office
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News Release

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2 western metro area men indicted for conspiracy to commit mail fraud

Two men from the western Twin Cities metro area were charged today in federal court in connection with a mail fraud conspiracy aimed at obtaining money from a roofing company.

Amit Yitzhak Sela, 51, Minnetonka, was charged Aug. 5 in Minneapolis with one count of conspiracy, two counts of mail fraud, two counts of tax evasion, three counts of filing a false tax return and one count of procuring a false tax return. Abdullah S. Noaman Jr., 43, Shakopee, was charged with one count of conspiracy.

Their indictment alleges that from September 2001 through September 2004, they knowingly and intentionally devised and executed a scheme to defraud and to obtain money from Sela Roofing and Remodeling, Inc., and one of its co-owners by means of false and fraudulent pretenses. They also allegedly schemed to defraud the United States by impeding, impairing, obstructing and defeating the lawful functions of the Internal Revenue Service by impairing and obstructing the collection of income taxes.

Amit Sela was a 50 percent owner of Sela Roofing, which hired subcontractors to perform remodeling and repair work for its customers. The subcontractors billed Sela Roofing for their work and identified on their invoices the address of the job site where the work was performed.

One object of the conspiracy was to embezzle money from Sela Roofing, thereby depriving the co-owner of his share. The second object was to conceal the embezzled money from the IRS and the Minnesota Department of Revenue in order to evade taxes on the illegally obtained income.

Amit Sela allegedly arranged for Sela Roofing to pay for some of his personal expenses and to issue checks which he converted to cash. Amit Sela contracted with vendors who did work for him personally rather than as subcontractors for the company. He allegedly induced the vendors to falsify the addresses on the invoices to make it appear that the work was done for a Sela Roofing job, when in fact, the work was done for Amit Sela personally. Amit Sela then arranged

for the company to pay these invoices. In some instances where he did not obtain a false invoice, Amit Sela allegedly altered invoices.

The indictment alleges that Amit Sela arranged for Sela Roofing to pay more than \$500,000 to one subcontractor when, in fact, no such work had been provided. Noaman submitted false invoices and fictitious mechanic's lien waivers from his business to Sela Roofing for some of these payments. Noaman deposited the Sela Roofing checks into his business account, and then wrote checks from that account directly to Amit Sela or to "cash."

Noaman also allegedly wrote checks from his business account to pay for Amit Sela's personal expenses, including credit card bills, yard work, house cleaning, vehicle payments, utilities, boat storage, swimming pool payments, interior decorating and jewelry.

As a result of the conspiracy, more than \$600,000 was embezzled from Sela Roofing, and state and federal income taxes were evaded on that stolen income. The Sela Roofing customers were not alleged to be the victims of the fraud.

If convicted, Amit Sela faces a potential maximum penalty of five years in prison on the conspiracy count; five years on each tax evasion count; three years on each false tax return count; and three years on the procuring count. Noaman faces a potential maximum penalty of five years in prison. All sentences are determined by a federal district court judge.

This case is the result of an investigation by the IRS-Criminal Investigation Division, and is being prosecuted by Assistant U.S. Attorney Michael L. Cheever.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.